United Nations DP/FPA/2017/4 (Part II)

Executive Board of the United Nations Development Programme, the United Nations Population Fund and the United Nations Office for Project Services

Distr.: General
27 March 2017

Original: English

Annual session 2017
30 May to 9 June 2017, New York
Item 10 of the provisional agenda
UNFPA – Annual report of the Executive Director

UNITED NATIONS POPULATION FUND

Report on the recommendations of the Joint Inspection Unit in 2016

Report of the Executive Director

Summary

In line with General Assembly resolution 59/267, this report provides a synopsis of UNFPA management responses to the recommendations of the Joint Inspection Unit (JIU), and draws attention to specific recommendations directed to the legislative organs of the United Nations system organizations. The present report focuses on the eight JIU reports and one management letter relevant to UNFPA issued in 2016. Of the total 60 recommendations issued, 42 are relevant to UNFPA, of which 27 recommendations are addressed to UNFPA management and 15 to the legislative organs. The present report provides UNFPA management responses to the relevant recommendations and includes an update of the implementation status of recommendations contained in reports issued by the JIU in 2014 and 2015.

Elements of a decision

The Executive Board may wish to take note of the present report, especially those aspects of the JIU reports that have particular relevance to the work of UNFPA.

17-07364X (E) 090517

Please recycle

I. Overview of Joint Inspection Unit reports and notes

1. The present report provides a summary of UNFPA management responses to recommendations issued by the Joint Inspection Unit (JIU), included in eight reports and one management letter which are relevant to UNFPA and were issued and received since the report for 2015 [DP/FPA/2016/2 (Part II)]. The present document includes the recommendations directed to the UNFPA governing body. Two additional reports[1] included in the JIU report for 2016 were not received at the time of preparing this report, and will be included in the next submission to the Board.

2. These reports and management letter concern the following (with indication of the corresponding Chief Executives Board comments when available):

(a) Succession planning in the United Nations system organizations (JIU/REP/2016/2);[2]

(b) Comprehensive review of United Nations system support for small island developing States: Initial findings (JIU/REP/2016/3)[3] and Comprehensive review of United Nations system support for small island developing States: Final findings (JIU/REP/2016/7);

(c) Fraud prevention, detection and response in United Nations system organizations (JIU/REP/2016/4);

(d) Evaluation of the contribution of the United Nations development system to strengthening national capacities for statistical analysis and data collection to support the achievement of the Millennium Development Goals (MDGs) and other internationally agreed development goals (JIU/REP/2016/5);[4]

(e) Meta-evaluation and synthesis of United Nations Development Assistance Framework evaluations, with a particular focus on poverty eradication (JIU/REP/2016/6);

(f) State of the internal audit function in the United Nations system (JIU/REP/2016/8);

(g) Safety and security in the United Nations system (JIU/REP/2016/9); and

(h) Review of the acceptance of JIU recommendations by the United Nations Population Fund (UNFPA) (JIU/ML/2016/5).

[1] "Administrative Support Services – The role of service centres in redesigning administrative service delivery" (JIU/REP/2016/10) and "Knowledge Management in the United Nations system" (JIU/REP/2016/11)

[2] Corresponding Chief Executives Board comments (A/71/393/Add.1)

[3] Corresponding Chief Executives Board comments (A/71/324/Add.1)

[4] Corresponding Chief Executives Board comments (A/71/431/Add.1)

II. Synopsis and review of relevant Joint Inspection Unit reports and recommendations

3. The management responses to the relevant recommendations in the JIU reports and the management letter, including those for consideration by the legislative body, are provided below. Annex 1 to the present report provides a statistical summary of documents that are subject to the present reporting; annex 2 and annex 3 provide information on the implementation status of recommendations issued in 2015 and 2014, respectively; annex 4 contains an overview of the recommendations relevant to UNFPA and directed to the governing body of UNFPA; and annex 5 outlines the topics of relevance for UNFPA in the JIU work programme for 2017.

A. Succession planning in the United Nations system organizations (JIU/REP/2016/2)

4. The primary objective of this review was to follow up and assess the progress made in developing a framework for a succession planning strategy and implementing the relevant policies. The review mapped the elements of the existing informal succession planning processes that are in line with the framework proposed in 2009 by the secretariat of the United Nations System Chief Executives Board for Coordination (CEB), in response to a recommendation issued in 2007 by the JIU. In addition, the review assessed the progress made in the system-wide discussions on succession planning that were initiated in 2009 in the framework of the Human Resources Network of the High-Level Committee on Management.

5. The report concluded that succession planning, while important, was not treated as a priority in any United Nations system organization since none had a formal succession planning process in place. Organizations were urged to expedite their succession planning processes in order to prevent potential loss of institutional memory and ensure smooth knowledge transfer and business continuity, especially in leadership positions and other crucial functions.

6. The report contains four recommendations, all of which are of relevance to UNFPA. One is addressed to the Executive Board (recommendation 1) and three to the Executive Director (recommendations 2-4).

7. UNFPA will support the Executive Board in examining formal succession planning in place at UNFPA, including the adequacy of funding (recommendation 1). It is worth remembering that the organization introduced in 2013 its leadership pool – considered a cutting-edge mechanism for addressing succession planning for core leadership positions. UNFPA supports the adoption of appropriate frameworks for succession planning (recommendations 2), yet views the deadline for implementation by the end of 2017 as too ambitious. UNFPA further supports the application of the five benchmarks set out in the report (recommendation 3), and agrees to report to the Executive Board, as required by Member States. UNFPA endorses reinstating succession planning as a main agenda item of the Human Resources Network of the High-Level Committee on Management (recommendation 4).

B. Comprehensive review of United Nations system support for small island developing States: Initial findings (JIU/REP/2016/3) and Comprehensive review of United Nations system support for small island developing States: Final findings (JIU/REP/2016/7)

8. The first report (JIU/REP/2016/3) analysed the United Nations headquarters support to small island developing States provided by (and resources made available to) the Small Island Developing States units of the Department of Economic and Social Affairs and of the

Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States. The review disclosed that the evolving mandates of these units had led to an increasing workload, without a commensurate increase in resources.

9. The report requested that the Secretary-General highlight, in his annual report on small island developing States, the work undertaken by all organizations and entities covered by the United Nations strategic framework whose mandates are relevant to small island developing States, including a strategic vision for a more coordinated and coherent planning to foster the implementation of the SAMOA Pathway.[5]

10. The review analysed the composition, role and working modalities of the Inter-Agency Consultative Group on Small Island Developing States and proposed measures to upgrade the relevance of its work in support of small island developing States.

11. The first report contains four recommendations, none of which are addressed to UNFPA.

12. The second report (JIUP/2016/7) analysed the United Nations system support in the field, with particular attention to the work of the United Nations funds and programmes, specialized agencies and environmental conventions. The field visits revealed high expectations from the Governments of the small island developing States for a better alignment of the work of the United Nations system with the priorities defined at national and regional levels by those States themselves.

13. This report called for efforts to be made, in defining the monitoring and accountability frameworks, to minimize the burden for small island developing States to report on the SAMOA Pathway and other global mandates, such as the 2030 Agenda, the Paris Agreement on Climate Change, the Addis Ababa Action Agenda and the Sendai Framework on disaster risk reduction.

14. The second report includes nine recommendations, eight of which of relevance to UNFPA; seven are addressed to the Executive Board (recommendations 1-4 and 6-8) and one to the Executive Director (recommendation 5).

15. UNFPA will support the Executive Board in :

(a) Giving precise system-wide coordinated guidance to ensure that the SAMOA Pathway priorities are mainstreamed in strategic plans (recommendation 1);

(b) Ensuring that the organization's strategic plans and work programmes include specific objectives related to the implementation of the SAMOA Pathway (recommendation 2);

(c) Ensuring that the activities in support of sustainable development of small island developing States are aligned with the regional and national priorities identified by Governments and small island developing States development partners (recommendation 3);

(d) Coordinating the planning and implementation of capacity-building activities in close consultation with the small island developing States and development partners, to strengthen effectiveness and efficiency in supporting the achievement of the goals defined in the SAMOA Pathway (recommendation 4);

[5] Small Island Developing States Accelerated Modalities of Action (SAMOA) Pathway. See https://sustainabledevelopment.un.org/samoapathway.html.

(e) Encouraging the allocation of predictable multi-year funding to facilitate the effective implementation of programmatic activities in support of the small island developing States (recommendation 6);

(f) Ensuring the specificity of small island developing States is explicitly considered in defining the elements of monitoring and accountability frameworks to report on progress made (recommendation 7); and

(g) Coordinating the efforts in designing monitoring and accountability frameworks and tools adapted to the capacity of small island developing States to monitor and report on the implementation of the SAMOA Pathway and other sustainable development-related global mandates (recommendation 8).

16. UNFPA will participate in the process led by the Inter-Agency Task Force on Financing for Development and actively contribute to addressing the specificity of small island developing States (recommendation 5).

C. Fraud prevention, detection and response in United Nations system organizations (JIU/REP/2016/4)

17. The report examined fraud prevention, detection and response in the United Nations system at the conceptual and operational levels, and advocated the adoption of a fraud management framework comprising eight pillars. The review considered the significant work recently done by the oversight bodies of the United Nations system[6] and previous JIU reports that dealt in part with certain aspects of fraud.[7]

18. In addition to substantial financial losses, fraud has damaging effects on an organization's reputation, placing at risk the ability to implement programmes effectively, establish partnerships and secure funding. Effective fraud prevention, detection and response mechanisms play a key role in safeguarding organizations. Anti-fraud measures play an equally important role in enhancing the accountability and effectiveness of the United Nations system and in promoting appropriate oversight and the responsible use of resources.

19. The report stressed a number of needed improvements; these include: (a) setting a strong "tone at the top" in dealing with fraud; (b) promoting an encompassing anti-fraud culture; (c) undertaking systematic assessments to determine the level of fraud risk exposure; (d) agreeing on a commonly understood definition of fraud; (e) introducing a clear policy and/or strategy to fight fraud; (f) having a clear business process ownership and addressing serious governance deficits in dealing with fraud; (e) reducing delays in investigations of alleged fraud and addressing the shortages of trained and qualified forensic investigators; (g) allocating proportionate resources dedicated to anti-fraud activities; (h) more effectively implementing multilateral frameworks for common debarment of third parties and other sanctions regimes; (i) systematically following up investigations, especially with national enforcement authorities; and (j) establishing and administering a robust disciplinary regime to deal with employees engaging in fraudulent activities.

20. The report contains 16 recommendations; 15 of them are addressed to the Executive Director (recommendations 1-15) and one to the Executive Board (recommendation 16).

[6] In particular by the Board of Auditors, the Independent Audit Advisory Committee, OIOS and other internal and external audit bodies.

[7] "Analysis of the resource mobilization function" (JIU/REP/2014/1); "management of implementing partners in United Nations system organizations" (JIU/REP/2013/4); "the investigations function in the United Nations system" (JIU/REP/2011/7 and JIU/REP/2000/9); and "accountability frameworks in the United Nations system" (JIU/REP/2011/5).

21. UNFPA supports all recommendations; at the time this report was written, the organization had already met or was in the process of meeting the requirements:

(a) The UNFPA oversight policy approved by the Executive Board in January 2015 includes the definition of fraudulent, corrupt, collusive, coercive and obstructive practices, almost identical to that of the multilateral development banks (recommendation 1);

(b) UNFPA will complete the update of its anti-fraud policy in the first quarter of 2017 (recommendation 2);

(c) The organization designated a corporate senior-level manager to be the custodian of the anti-fraud policy and be responsible for its implementation, monitoring and periodic review (recommendation 3);

(d) UNFPA is in the process of fundamentally revising its dedicated anti-fraud training and fraud awareness strategy (recommendation 4);

(e) It has introduced a comprehensive corporate fraud risk assessment addressing fraud risks at all levels of the organization (recommendation 5), and needs to improve on its effectiveness;

(f) UNFPA is developing a comprehensive anti-fraud strategy and action plan for implementing the fraud policy (recommendation 6), which will include a review of the internal control framework to ensure proportionate anti-fraud controls exist and fraud risks identified in the fraud risk assessments are adequately addressed (recommendation 7);

(g) More efforts are required to introduce statements of internal controls that fully address the adequacy of organization-wide anti-fraud controls (recommendation 8);

(h) All legal instruments for engaging third parties, such as vendors and implementing partners, already include anti-fraud clauses and provisions (recommendation 9);

(i) Some fraud prevention and detection capabilities are embedded in UNFPA systems; yet these need to be strengthened (recommendation 10);

(j) The whistle-blower policy will be revisited, bearing in mind good practices; the duty to report fraud and other wrongdoing will be extended to contract employees, United Nations volunteers, interns and other non-staff, as well as third parties, including vendors, suppliers and implementing partners (recommendation 11);

(k) The central intake mechanism for all fraud allegations is already in place (recommendation 12);

(l) The Office of Audit and Investigation Services (OAIS) has established and will enhance its key performance indicators for the conduct and completion of investigations; its capacity to investigate, based on a risk categorization and the type and complexity of investigations, is in the process of being reinforced (recommendation 13);

(m) While UNFPA supports strengthening existing protocols and procedures for referrals of fraud cases (and other wrongdoing) to national enforcement authorities and courts for criminal civil proceedings as well as for asset recovery (recommendation 14), UNFPA believes that the recommendation is outside of its direct influence and should be led by the Office of Legal Affairs of the United Nations; and

(n) UNFPA will work with UNDP, UNICEF, UNOPS, and UN-Women on a harmonized approach for annual reporting to each organization's respective Board on anti-fraud activities (recommendation 15).

22. UNFPA will support the Executive Board should it decide on a permanent or standing item relating to fraud prevention, detection and response (recommendation 16).

D. Evaluation of the contribution of the United Nations development system to strengthening national capacities for statistical analysis and data collection to support the achievement of the Millennium Development Goals (MDGs) and other internationally agreed development goals (JIU/REP/2016/5)

23. This evaluation is one of two evaluations requested for the pilot implementation of the independent system-wide evaluation policy. It examined the relevance, coherence and the added value of the United Nations system as whole in strengthening national capacities for statistical data collection, analysis and use. Statistics play a significant role in supporting the development of robust evidence-based decisions. In the 2030 Agenda for Sustainable Development, adopted in September 2015, world leaders re-emphasized the need for evidence-based decision-making and called for country-led processes in the planning, monitoring and evaluation of the Sustainable Development Goals as a means of strengthening the relevance and sustainability of the United Nations contribution in the future. In this regard, national statistical capacity has been central in the dialogue on the monitoring and review of progress in the achievement of the 2030 Agenda, highlighting the need to strengthen national capacities to produce data at the level of disaggregation necessary to ensure that 'no one is left behind'.

24. The evaluation showed that the United Nations system made a positive contribution to strengthening national capacities for the production of statistics; but there are still challenges relating to the quality of this contribution, specifically with regard to the coordination of activities, the sustainability of results and the relevance to national priorities. One of the main concerns emerging from the analysis is the inadequate support by the United Nations system to greater and more effective use of statistics by policy makers, civil society and the private sector.

25. The report contains five recommendations; four are addressed to the General Assembly in the context of the quadrennial comprehensive policy review 2017-2020 (recommendations 1-2 and 4-5) and one to the Executive Director (recommendation 3).

26. UNFPA concurs with all recommendations addressed to the General Assembly: making national statistical capacity development a major strategic priority of the United Nations system entities (recommendation 1); focussing on the use of national statistics for supporting the achievement of national development goals (recommendation 2); developing a five-year strategy framework for an integrated support for national statistical capacity development at global, regional and country levels (recommendation 4); and ensuring that this is supported by all United Nations country teams, as determined by national authorities (recommendation 5).

27. UNFPA also supports establishing a network that will bring together policy, programme and statistics departments in order to define how to better support more effective use of statistics by national stakeholders to achieve national development goals, and developing system-wide guidance to that effect (recommendation 3). UNFPA notes that efforts are already ongoing in this regard. UNFPA suggests it might be more effective to also explore incentives for joint programmes and collaboration, as the time required for such efforts may act as a deterrent.

E. Meta-evaluation and synthesis of United Nations Development Assistance Framework evaluations, with a particular focus on poverty eradication (JIU/REP/2016/6)

28. This report is the other evaluation requested for the pilot implementation of the policy for independent system-wide evaluation. This evaluation examined the overall quality, credibility and use of United Nations Development Assistance Framework evaluations undertaken in the period 2009-2013, and sought to provide an assessment of the contribution of the United Nations system in achieving national development goals. The exercise also aimed at introducing improvements and adjustments to the existing guidelines for the Framework evaluation process.

29. The evaluation concluded there was a lack of commitment from stakeholders in the United Nations Development Assistance Framework evaluation process, evidenced by a low compliance level with both the requirement for an evaluation and the quality standards. There was partial adherence to and utilization of robust evaluation methodologies, in accordance with the norms and standards of the United Nations evaluation group. Furthermore, a low level of participation from national stakeholders was identified, along with significant issues of coordination and cooperation in the evaluation activities conducted by the United Nations entities at the country level. The review also found that United Nations programming principles are not fully considered, in particular those of environmental sustainability and capacity-development being seldom mentioned.

30. The JIU report contains five recommendations, four of which are relevant to UNFPA.

31. UNFPA fully supports all recommendations. In particular, UNFPA will pursue its active involvement in the United Nations Development Group, helping to revise the United Nations Development Activity Framework programming guidance (recommendation 1), to revisit the evaluation guidelines (recommendation 5), and to improve the guidance to Resident Coordinators, inter alia, on the United Nations Development Activity Framework evaluation process (recommendation 3). In relation to recommendation 4 – coordinating evaluation activities at the country level so they can be better integrated with the United Nations Development Activity Framework evaluation process – UNFPA actively supports it while also pointing out the key challenge of harmonizing the different programming cycles by United Nations organizations, given the specific requirements of their respective governing bodies.

F. State of the internal audit function in the United Nations system (JIU/REP/2016/8)

32. The internal audit function is an established and integral part of the accountability framework in the United Nations system and has a key role in the good governance of organizations. This review aimed at taking stock of developments regarding the internal audit function since the two previous reports (2006 and 2010), with recommendations complementing those previously made.

33. The current review disclosed that the internal audit function is well recognized and utilized; internal audit services have made good progress in achieving professional auditing standards – which is an important message to external stakeholders, including donors, regarding the quality and reliability of the function in United Nations system organizations. At the same time, the review also disclosed that senior management, governing bodies and donors need to further capitalize on the function for assurance on governance, risk management and internal control processes in United Nations system organizations.

34. A critical aspect for the internal audit function is independence. In this regard, the report encouraged both executive heads and governing bodies of the organizations to ensure and

enhance the independence of their internal audit services, including through the provision of sufficient resources.

35. Going forward, the report stressed that the internal audit strategy needs to be better aligned with the strategic plan of the organizations served, particularly in terms of the type of auditing services to be offered and the feasibility of combining with other independent oversight functions, such as investigation, inspection or evaluation, as well as in terms of size and resourcing needs of the internal audit service. The report further called for the internal audit strategy to be developed by the head of internal audit/oversight in close consultation with the oversight committee and the executive head.

36. The report also encouraged heads of internal audit/oversight in the United Nations system to ensure that their annual reporting provides comprehensive views on oversight and that governing body members be given access, upon request, to all internal audit reports. The report raised the question of public disclosure of internal audit reports, and concluded that the matter needs to be carefully examined and assessed by the executive heads and the governing bodies, on an organization-by-organization basis.

37. Regarding independent oversight committees, the review considered that their establishment has been an important achievement in United Nations system organizations in recent years, yet that that there was a need for an institutionalized role for the governing bodies to play. In this respect, the inspectors recommended that the governing body review and approve the oversight committee charter, play a role in the selection of oversight committee members and in assessing the committee's performance. They also considered that the annual report of the oversight committee should be presented to the governing body as an important accountability document that provides advice on the effectiveness of the internal audit function. Further, the inspectors recommended that the role of the committee be formalized in the organization's regulations and rules.

38. The report contains nine recommendations, complementing those made in the past two JIU reports on the function, many of which reiterated in the present one. Of the nine, five are relevant to UNFPA: three are addressed to the Executive Director (recommendations 2 and 5-6) and two to the Executive Board (recommendations 1 and 9).

39. UNFPA supports – and has been ensuring for many years – that the head of internal audit/oversight and the chair of the oversight committee (created in 2006) both attend the session of the Executive Board taking up audit matters and be given the opportunity to respond to questions raised about their respective annual reports, if any (recommendation 1).

40. Regarding the hiring, renewal and termination of the head of internal audit/oversight, UNFPA supports involving the oversight committee – this has already been implemented; it is reflected in the oversight policy approved by the Executive Board in January 2015. Consulting the Executive Board on the matter has, so far, not been done and would require a decision and corresponding modification of the oversight policy (recommendation 2). In this respect, UNFPA would point out to the challenge of an internal audit function potentially been perceived as external to the organization.

41. To provide more audit coverage, the UNFPA Office of Audit and Investigation Services already uses extensively information technology auditing techniques, advanced data analytics and remote auditing, with the first 'remote auditing and monitoring' report issued in December 2016 and the approach and tool demonstrated to various stakeholders[4] (recommendation 5). UNFPA supports and has already began allocating additional financial

[4] Such as the Board of Auditors, the United Nations Representatives of Internal Audit Services (UN-RIAS) and the Conference of International Investigators

and human resources to its internal audit services to ensure increased coverage of high-risk areas and faster auditing cycles (recommendation 6).

42. As to recommendation 9, fulfilling the conditions for an effective, independent, expert oversight committee, and that the committee fully functions in line with previous JIU recommendations – UNFPA supports, and has already implemented, many of the conditions put forward in the report. UNFPA recalls that its oversight committee advises primarily the Executive Director, and considers that the Committee's detailed terms of reference and composition are best left to the Executive Director, to address more closely the organization's needs.

43. The report includes in its annexes data on the internal audit function. Additional information on risk appetite, geographic coverage and more details on audits (e.g. their type or mode of engagement) are necessary to allow a more in-depth analysis and a comprehensive and informed interpretation of the data. It is suggested to use the standardized benchmarking of the internal audit profession to inform future benchmarking.

G. Safety and security in the United Nations system (JIU/REP/2016/9)

44. Security and safety of United Nations personnel has been a persistent issue on the United Nations agenda. The current report is a system-wide review focusing on the JIU participating organizations and members of the Inter-Agency Security Management Network. Particular attention is given to the role and services provided by the Department for Safety and Security of the United Nations Secretariat, as the primary coordinating actor of the United Nations security management system. The system is responsible for the security of approximately 180,000 personnel, as well as 300,000 dependants in environments ranging from major metropoles to remote field locations. In addition to working in areas with high crime, natural hazards, social instability and armed conflict, it must provide preventive measures and adequate responses to global threats like terrorism.

45. The following strategic areas formed the focus of the review: security culture; security-related information management; safety and security standards; security crisis management and surge capacity; and resources and finance. The United Nations security management system has unquestionably evolved, moving from, among other things, a security phase system, considered as one of the main difficulties faced in the field, to a risk-management philosophy of "how to stay", based on the structured use of risk analysis. New policies and standards have been developed and inter-agency cooperation is more robust. The system is, however, characterized by its fragmentation in various areas and at different levels.

46. The report called for a higher level of integration of resources, financial and human, to optimize the use of security resources system-wide, avoid duplication and build upon the expertise in each of the organizations of the United Nations security management system, while taking into consideration their specific operational needs and the degree of autonomy necessary for them to realize their respective mandates.

47. The report contains eight recommendations, of which four are addressed to the Executive Director (recommendations 1-3 and 5).

48. Regarding the first recommendation – relating to the management of host country agreements – UNFPA notes that this is not an organization-specific but a system-wide issue. Further, the matter has already been discussed at the Inter-Agency Security Management Network after issuance of the Brahimi Report, and was closed in 2011 after extensive consultations with resident coordinators and Member States, as being neither realistic nor acceptable. Re-opening the matter does not appear of value.

49. UNFPA fully supports the other three recommendations. UNFPA is a member of the road safety working group and has already implemented the approved road safety policy,

which has been endorsed by the Inter-Agency Security Management Network (recommendation 2). Completion of mandatory security training is included in the performance assessment system for all staff members at all levels. Compliance with the mandatory training requirement is monitored by the UNFPA Office of Security Coordination (recommendation 3). UNFPA will develop a platform to incorporate safety and security compliance indicators in the performance assessments at every management level (recommendation 5).

III. Status of UNFPA implementation of Joint Inspection Unit recommendations

A. Review of acceptance and implementation of Joint Inspection Unit recommendations by the United Nations Population Fund (UNFPA) (JIU/ML/2016/5)

50. In order to further enhance the effectiveness of its web-based recommendation follow-up system, the JIU performed a review of the acceptance and implementation of its recommendations by the participating organizations from 2006 to 2012. The first part of the review, which included an analysis of the rate of acceptance and implementation of recommendations based on statistics provided by the web-based tracking system and the process of consideration of JIU reports by organization, was completed in 2016.

51. The management letter corresponded to the first phase, the objectives of which were to review: (a) the acceptance and implementation of recommendations based on the statistics provided in the web-based system, to prompt action to clear recommendations outstanding for five years or more; and (b) the process of consideration of JIU reports by the Executive Board in order to identify shortcomings and delays.

52. The analysis ranked UNFPA among the highest performers, with an acceptance rate of recommendations above the average of all organizations, and a slightly lower than the average implementation rate of accepted recommendations. The review showed fluctuations year by year, as well as between recommendations addressed to the Executive Director (high acceptance rate; lower implementation rate) compared to those to legislative bodies (lower acceptance rate; high implementation rate). Further, at the time of the Unit review, 20 recommendations were outstanding for five years or more; nine were closed subsequently, during the year-end review.

53. UNFPA notes that the recommendations addressed to the legislative body are fewer in number than those to the executive head, and hence may not require the same implementation effort (which percentages do not reveal). UNFPA also encourages the JIU to improve the web-based tracking tool, in particular in expanding implementation choices – to provide a more nuanced and accurate picture of implementation rates, reflecting that some recommendations may be accepted but cannot be implemented for reasons beyond the organization's control (such as action necessary at inter-agency or political level) or its financial means, or that there may be no opportunity to implement a particular recommendation.

54. Further, UNFPA has included in the present report, the formatting improvements recommended in the management letter, as well as ensured the completeness of the data in the tracking system on consideration of JIU reports by the Executive Board.

B. Status of UNFPA implementation of Joint Inspection Unit recommendations issued during 2014-2015

55. In accordance with United Nations General Assembly resolution 60/258, requesting the JIU to enhance dialogue with participating organizations to strengthen the implementation of

its recommendations, the JIU requested information on the follow-up to recommendations issued in 2015 and 2014. Annexes 2 and 3 of the present report provide an update of the implementation status of these recommendations.

56. Of the 20 recommendations issued by the JIU in 2015 that are relevant to UNFPA, six recommendations (30 per cent) have not been accepted or are under consideration, while five (25 per cent) have been implemented.[9] Similarly, of the 41 recommendations concerning UNFPA issued in 2014, six recommendations (15 per cent) have not been accepted or are under consideration, while 25 recommendations (61 per cent) have been implemented. Further details are provided in the web-based JIU follow-up system accessible to Member States.

57. UNFPA is committed to following up on the implementation of the remaining recommendations relevant to UNFPA and to continuing its contribution to the various JIU initiatives in the future.

[9] Status as at end January 2017.

ANNEX 1
Summary of reports and management letter issued in 2016 of relevance to UNFPA

Report symbol	Report name	Total recommendations	Relevant to UNFPA	Of which recommendations directed to the Executive Board
JIU/REP/2016/2	Succession planning in United Nations system organizations	4	4	1
JIU/REP/2016/3	Comprehensive review of United Nations system support for small island developing States: Initial findings	4	-	-
JIU/REP/2016/4	Fraud prevention, detection and response in United Nations system organizations	16	15	1
JIU/REP/2016/5	Evaluation of the contribution of the United Nations development system to strengthening national capacities for statistical analysis and date collection to support the achievement of the MDGs and other internationally agreed development goals	5	5	4
JIU/REP/2016/6	Meta-evaluation and synthesis of United Nations Development Assistance framework evaluations, with a particular focus on poverty eradication	5	1	-
JIU/REP/2016/7	Comprehensive review of United Nations system support for small island developing States: Final findings	9	8	7
JIU/REP/2016/8	State of the internal audit function in the United Nations system	9	5	2
JIU/REP/2016/9	Safety and security in the United Nations system	8	4	-
JIU/ML/2016/5	Review of the acceptance and implementation of JIU recommendations by the United Nations Population Fund (UNFPA)[10]	-	-	-
Total for 2016		**60**	**42**	**15**

The following JIU report issued in 2016 is not relevant to UNFPA:

JIU/REP/2016/1 – Review of Management and Administration in the International Telecommunication Union (ITU)

[10] Management letters may contain recommendations. However, these are not tracked in the web-based tracking system of the Joint Inspection Unit.

ANNEX 2
Status of implementation of JIU recommendations issued in 2015, as at 31 January 2017

Report symbol	Report name	Total recommendations	Relevant to UNFPA	*Of which to governing bodies*	Implementation status of UNFPA relevant recommendations		
					Not accepted/ under consideration	Implemented	In progress/ to be started
JIU/REP/2015/1	Evaluation of mainstreaming of full and productive employment and decent work by the United Nations	7	1	-	-	-	1
JIU/REP/2015/2	Recommendations to the General Assembly of the United Nations for the determination of parameters of a comprehensive review of United Nations system support for small island developing States	6	-	-	-	-	-
JIU/REP/2015/3	Cooperation among the United Nations regional commissions	7	-	-	-	-	-
JIU/REP/2015/4	Public information and communications policies and practices in the United Nations system	6	6	*1*	-	4	2
JIU/REP/2015/5	Review of activities and resources devoted to address climate change in the United Nations system	6	5	*1*	-	-	5
JIU/REP/2015/6	Review of the organizational ombudsman services across the United Nations system	8	8	*1*	6	1	1
Total for 2015		**40**	**20**	*3*	**6**	**5**	**9**

The following JIU management letter, relevant to UNFPA, was received in 2015 (not publicly available); however, it did not contain any specific recommendations:
JIU/ML/2015/6 – Management letters on assessment of post-award contract management processes in 14 United Nations system organizations.

ANNEX 3
Status of implementation of JIU recommendations issued in 2014, as at 31 January 2017

Report symbol	Report name	Total recommendations	Relevant to UNFPA	*Of which to governing bodies*	Implementation status of UNFPA relevant recommendations		
					Not accepted/ under consideration	Implemented	In progress/ to be started
JIU/REP/2014/1	An analysis of the resource mobilization function within the United Nations system	5	4	2	-	4	-
JIU/REP/2014/4	Post-Rio+20 review of environment governance within the United Nations system	13	3	-	-	-	3
JIU/REP/2014/6	Analysis of the evaluation function in the United Nations system	9	7	2	-	5	2
JIU/REP/2014/8	Use of non-staff personnel and related contractual modalities in the United Nations system organizations	13	12	1	3	6	3
JIU/REP/2014/9	Contract management and administration in the United Nations system	12	11	2	-	9	2
JIU/NOTE/2014/1	Use of retirees and staff retained beyond the mandatory age of separation at the United Nations organizations	5	4	-	3	1	-
Total for 2014		**57**	**41**	*7*	**6**	**25**	**10**

The following JIU reports and notes issued in 2014 are not relevant to UNFPA:

JIU/REP/2014/2 - Review of Management and Administration in the World Intellectual Property Organization;

JIU/REP/2014/5 – Follow up inspection of the 2009 review of management and administration in the World Tourism Organization;

JIU/REP/2014/7 – Review of management and administration of the Office of the High Commissioner for Human Rights.

The following JIU study was completed and relevant to UNFPA; however, it did not contain any specific recommendations:

JIU/REP/2014/3 – Capital/refurbishment/construction projects across the United Nations system.

ANNEX 4
Review of relevant Joint Inspection Unit recommendations in 2016 for consideration by the Executive Board

Recommendations	Management comments
JIU/REP/2016/2 – Succession planning in the United Nations system organizations	
# 1: The legislative/governing bodies of the United Nations system organizations should exercise their oversight role and examine the causes for the lack of, and/or the delay in, the introduction of formal succession planning in their respective organizations, including the adequacy of current funding; and request the executive heads of these organizations to develop formal succession planning without any further delay, by the end of 2017.	Supported.
JIU/REP/2016/4 – Fraud prevention, detection and response in United Nations system organizations	
# 16: The legislative and governing bodies of the United Nations system organizations should: place on their respective agendas a permanent or standing item relating to fraud prevention, detection and response; review on an annual basis the consolidated and comprehensive management report presented by the executive head on anti-fraud policy and activities; and provide high-level guidance and oversight on fraud-related matters.	Supported.
JIU/REP/2016/5 – Evaluation of the contribution of the UN Development System to strengthening national capacities for statistical analysis and data collection to support the achievement of the MDGs and other internationally-agreed development goals	
# 1: The General Assembly, in the context of the 2017-2020 quadrennial comprehensive policy review, should make national statistical capacity development a major strategic priority of the United Nations system entities addressing production, dissemination and use of official statistics, and should call on all Member States to redirect the financial resources necessary to support all three areas.	Supported.
# 2: The General Assembly, in the context of the 2017-2020 quadrennial comprehensive policy review and the follow-up to the 2030 Agenda, should reaffirm that the principal goal of United Nations system support for national statistical capacity development is the use of national statistics for supporting the achievement of national development goals, including the Sustainable Development Goals, and in this regard, requests United Nations system organizations to make all efforts to support achievement of this goal.	Supported.

Recommendations	Management comments
# 4: The General Assembly should request the Secretary-General, in the context of the 2017-2020 quadrennial comprehensive policy review and the follow-up to the 2030 Agenda, to develop a strategic framework for the next five years regarding United Nations system integrated support for national statistical capacity development at the global, regional and country levels, setting out the roles and areas of work for entities at all three levels.	Supported.
# 5: The General Assembly, in the context of the 2017-2020 quadrennial comprehensive policy review, should ensure that national statistical capacity development is a strategic area of support for all United Nations country teams, recognizing that the role will vary significantly between countries as determined by the national authorities.	Supported.
JIU/REP/2016/7 – Comprehensive review of United Nations system support for small island developing states: final findings	
# 1: The governing bodies of the United Nations system and of the multilateral environment agreements, taking into account the findings of the comprehensive review, should give precise system-wide coordinated guidance to the organizations so as to ensure that the priorities of the SAMOA Pathway are mainstreamed in the strategic plans, within the realm of the organizations' mandates, and should encourage all stakeholders to make sufficient and predictable resources available for the effective and accelerated implementation of the Pathway.	Supported.
# 2: The governing bodies of the United Nations system should ensure that the strategic plans and work programmes of the system organizations include specific objectives related to the implementation of the SAMOA Pathway, within the realm of their respective mandates, to be measured against a set of established key performance indicators to monitor and report on the achievements.	Supported.
# 3: The governing bodies of the United Nations system, in adopting the strategic plans and work programmes of the organizations, should encourage the organizations to ensure that the activities in support of sustainable development of SIDS, within the realm of the mandate of each organization, are aligned with the regional and national priorities identified by the Governments of those States, regional organizations and SIDS development partners, so as to foster the implementation of the SAMOA Pathway as the blueprint of the 2030 Agenda for Sustainable Development of SIDS.	Supported.

Recommendations	Management comments
# 4: The governing bodies of the United Nations system should request the organizations to coordinate the planning and implementation of their capacity-building activities in close consultation with the small island developing States and all partners for development so as to strengthen effectiveness and efficiency in providing support to achieve the goals defined in the SAMOA Pathway, while avoiding saturation of the absorptive capacity of SIDS at the country level.	Supported.
# 6: The governing bodies of the United Nations system organizations should encourage the allocation of predictable multi-year funding to facilitate the effective implementation of programmatic activities in support of the small island developing States, based on needs assessments prepared by the United Nations system organizations in consultation with SIDS and their relevant partners.	Supported.
#7 - The legislative and governing bodies of the United Nations system organizations should ensure, based on the ongoing work of the United Nations Statistical Commission and, when relevant, on the work of the inter-agency forums and expert groups created to advise Member States, that the specificity of SIDS is explicitly considered in defining the elements of monitoring and accountability frameworks to report on progress made on the Sustainable Development Goals, so that processes and indicators are adapted to their needs and priorities identified at the national and regional levels.	Supported.
# 8: The governing bodies of the United Nations system organizations should coordinate their efforts in designing monitoring and accountability frameworks and tools adapted to the capacity of SIDS to monitor and report on the implementation of the SAMOA Pathway and other sustainable development-related global mandates, while avoiding the burden of multiple reporting frameworks.	Supported.
JIU/REP/2016/8 – State of the internal audit function in the United Nations system	
# 1: Governing bodies should direct executive heads of United Nations system organizations to ensure that their heads of internal audit/oversight and oversight committee Chairs attend the meetings of the governing bodies at least annually and are given the opportunity to respond to questions raised about their respective annual reports.	Supported and already implemented.

Recommendations	Management comments
# 9: Governing bodies of United Nations system organizations should ensure that the conditions for effective, independent, expert oversight committees are in place, and that the committees are, and continue to be, fully functional in line with previous Joint Inspection Unit (JIU) recommendations, as reinforced in this report.	Partially supported.

ANNEX 5

Programme of work of the Joint Inspection Unit for 2017 as related to UNFPA

Following system-wide consultations and suggestions, the Joint Inspection Unit identified eight new topics in its Programme of Work for 2017. Seven are of interest to UNFPA and will be actively supported.

Item	Title	Type
1.	Review of the United Nations - private sector partnership arrangements in the context of the 2030 Agenda for Sustainable Development	System-wide
2.	Improving efficiency and effectiveness in administrative support service delivery through inter-agency cooperation	System-wide
3.	Mainstreaming disaster risk reduction strategies in the work of United Nations system organizations	System-wide
4.	Review of mechanisms and policies addressing conflict of interest in the United Nations system	System-wide
5.	Review of the acceptance and implementation of the Joint Inspection Unit recommendations: lessons learned	System-wide
6.	Review of donor reporting requirements across the United Nations system	System-wide
7.	Review of whistle-blower policies and practices in United Nations system organizations	System-wide

Summaries of projects in the programme of work 2017

1. ***Review of the United Nations – private-sector partnership arrangements in the context of the 2030 Agenda for Sustainable Development***

   The United Nations development system is exploring innovative means to develop partnerships with the business sector, as called for by the global mandates of the United Nations emanating from General Assembly resolutions. On the basis of the experience gained by United Nations organizations in partnering with the private sector for implementing the Millennium Development Goals, the review will examine ways and means to improve the contribution of the private sector to the implementation of the 2030 Agenda for Sustainable Development. The review will also examine the alignment of existing procedures for partnerships with the business sector to the principles established in the most recent Guidelines on a Principle-based Approach to the Cooperation between the United Nations and the Business Sector, issued in 2015, in response to General Assembly resolution 68/234, and the compliance with General Assembly resolution 70/224, entitled "Towards global partnerships: a principle-based approach to enhanced cooperation between the United Nations and all relevant partners".

2. ***Improving efficiency and effectiveness in administrative support service delivery through inter-agency cooperation***

   Consequent to the recently completed review of experiences of the United Nations system organizations in developing service centres to enable global approaches to administrative support service delivery, this review will examine the opportunities and scope for enhanced efficiency and effectiveness in the provision of such services through joint or collaborative inter-agency activity. It will examine how organizations are putting into effect the common principle related to service delivery to support the implementation of the 2030 Agenda for Sustainable Development. The review will examine the functioning and results of current organizational and coordination arrangements to pursue the harmonization, simplification and consolidation of administrative support services; the impediments to the consolidation or integration of service delivery functions and facilities; the opportunities offered by mutual recognition of each other's policies and procedures as a strategy for achieving efficiency; the follow-up to the study on the interoperability of enterprise resources planning systems, prepared at the request of the General Assembly in its resolution 67/226. It will also examine the challenges in ensuring that opportunities for efficiency and effectiveness gains are not limited to the operational activities for

development, which have been the focus of legislative direction, and that the mechanisms for implementation and accountability are sufficiently robust.

3. Mainstreaming disaster risk reduction strategies in the work of United Nations system organizations

The Chief Executive Board for Coordination (CEB) High-level Committee on Programmes endorsed in April 2016 the revised United Nations Plan of Action on Disaster Risk Reduction for Resilience: Towards a Risk-Informed and Integrated Approach to Sustainable Development (CEB/2016/4). The report will review existing strategies put in place to mainstream disaster risk reduction as part of the activities of the United Nations system organizations in compliance with the Plan of Action mentioned above. It will identify further synergies and measures to ensure that high-quality support to vulnerable countries is provided by the United Nations system entities, including disaster risk reduction as a strategic priority of their work.

4. Review of mechanisms and policies addressing conflict of interest in the United Nations system

Building on previous Joint Inspection Unit reports on ethics-related issues such as accountability, fraud and procurement, this report will review the policies of the United Nations system designed to manage and mitigate existing and potential conflicts of interest and to provide protection to whistle-blowers as well as examine the scope of such protected activities. The review will identify situations that pose potential conflicts of interest which may constitute reputational risks to the image of the organization as well as to the United Nations system in general. The review will also examine the role of ethics offices in the United Nations system. Finally, the review will identify good practices in preventing, mitigating and remedying situations of potential or evident conflict of interest at all levels and develop a set of benchmarks to be applied across the system.

5. Review of the acceptance and implementation of the Joint Inspection Unit recommendations: lessons learned

Building on the first phase of the review, which focused on the rates of acceptance and implementation and the process of consideration of the Unit's reports by its participating organizations, the second phase of the review is intended to draw lessons to enhance the follow-up process and identify good follow-up practices. The review will examine the different modalities of dissemination and consideration of reports, the issuance and the use of CEB comments, actions taken by legislative bodies on the recommendations contained in the reports, the relevance of recommendations, the need for better formulation of recommendations and for independent review and verification of their implementation, the role of the focal points and the degree of maturity of the follow-up function by organization, as well as the use of the web-based tracking system.

6. Review of donor reporting requirements across the United Nations system

Over the past two decades, specified (extra budgetary, non-core or voluntary) contributions by donors have become indispensable for most United Nations system organizations in pursuing their mandates. Demands by the donors for additional reporting on the use by the organizations of the funds made available by them have built-in resource implications, including, among other things, higher transaction costs. Many donors and some organizations acknowledge that the existing formats and systems of reporting are not adequate for the donors' expectations and requirements. The latter are derived largely from the concerns expressed by their own legislatures, parliamentary committees and audit authorities with regard to accountability. Donors need to justify their spending and demonstrate to their domestic constituencies that the funds provided have been used efficiently and effectively, for the intended purposes, and with the expected levels of accountability. In turn, they demand more accountability and transparency in the use of funds provided by them, and better and more frequent reporting by the United Nations system organizations on the results and impacts achieved with the funds provided.

This review will focus on the nature, extent and reasons for donor reporting by organizations of the United Nations system, the degree to which the donor requirements and expectations may be satisfied from existing reporting processes, and how any additional reporting requirements could be more effectively planned, coordinated and budgeted so as to achieve the objectives of all stakeholders.

7. Review of whistle-blower policies and practices in United Nations system organizations

No information is available on this review at the time of writing this report.